

Exhibit P

EAF/dlr

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA

IN RE: OIL SPILL by the OIL RIG
"DEEPWATER HORIZON" in the
GULF OF MEXICO, on
APRIL 20, 2010

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MDL NO. 2179

SECTION : J

JUDGE BARBIER

MAG. JUDGE SHUSHAN

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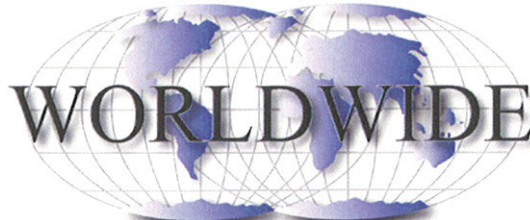


ANTHONY HAYWARD

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1 A. Correct.

2 Q. And then there's a segment on the "Progress in
3 implementation," correct?

4 A. Correct.

5 Q. And does the last sentence say: "This
6 represents around 80% of our planned implementation.
7 It is expected that the OMS will be adopted at all
8 operations in scope by the end of 2010."

9 Did I read that correctly?

10 A. That is correct. That is correct.

11 MR. CUNNINGHAM: Tab 29, 6017.

12 A. 6017.

13 MR. GODFREY: 6017?

14 MR. CUNNINGHAM: Yes.

15 MR. GODFREY: Hold on one second, please.

16 I don't have it yet, sorry. All right. Got it.

17 Q. (By Mr. Cunningham) This is a speech you gave
18 to the Annual General Meeting five days before the
19 DEEPWATER HORIZON blowout, correct?

20 A. Correct.

21 Q. Two months before you testified to Congress on
22 June the 17th of 2010, correct?

23 A. Correct.

24 Q. Look at Page 2 and tell me whether or not in
25 the next to the last couple of paragraphs, I read this

1 correctly: "We are continuing..." --

2 And this -- this is you talking, right?

3 A. M-h'm, yes.

4 Q. "We are continuing to improve our skills and
5 capabilities as we roll out a common Operating
6 Management System across our business. By the end of
7 2009 we'd fully implemented this at 70 sites - covering
8 around 80 per cent of our operations -- and the
9 remainder will be completed this year."

10 Did you say that?

11 A. I did.

12 Q. And then did you say in the next paragraph,
13 "But implementation is just the beginning"?

14 A. I did.

15 Q. Okay. And in the PowerPoint you gave in that
16 same exhibit, Page 9, you discussed the "Forward
17 Agenda," right?

18 A. I did.

19 Q. And the second bullet point in the Forward
20 Agenda says, quote, "Implement Operating Management
21 System," end quote, correct?

22 A. It does.

23 MR. CUNNINGHAM: Tab 43.

24 (Exhibit No. 6024 marked.)

25 THE COURT REPORTER: 6024.

1 Q. (By Mr. Cunningham) This is portions of the
2 Report, not the entire Report, but I'll call your
3 attention to Page 38. This is a BP Group results
4 report in July of 2010, correct?

5 A. (Reviewing document.) Correct.

6 Q. Your testimony was given in June of 2010,
7 correct?

8 A. M-h'm, correct.

9 Q. Turn to Page 38, at the bottom right-hand
10 corner. Do you have Page 38?

11 A. I -- yes, I do.

12 Q. All right. The third paragraph down, second
13 sentence, does it say this -- or in part does the first
14 sentence say this: "...BP continues to implement a
15 group-wide operational management system...at the
16 present time OMS has not yet been fully implemented
17 across the group."

18 Did I read that correctly?

19 A. It is correct.

20 Q. And, Dr. Hayward, if you had told Congress
21 that OMS -- the central safety system, the process
22 safety system, that, in fact, that OMS only covered
23 part of the company, the next question would have been
24 what part did it not cover, wouldn't it?

25 MR. WEBB: Object to the form of the

1 question about what Congress would have asked.

2 A. How can I speculate what Congress would have
3 asked?

4 Q. (By Mr. Cunningham) So you think if you had
5 told Congress that, "Look, we have this Operating
6 Management System, that includes process safety, and
7 it's been implemented across most of the company," you
8 don't think somebody might have been curious about what
9 part it had not been implemented across?

10 MR. GODFREY: Objection, form.

11 MR. WEBB: Objection as to form.

12 A. I think -- I think there were two things I
13 would have said, number one.

14 Q. (By Mr. Cunningham) No, that's -- the question
15 is: Do you think Congress --

16 A. I have no idea what Congress would have said.

17 Q. You don't know -- you don't know whether they
18 would --

19 A. I cannot possibly speculate.

20 Q. -- have been interested? Okay.

21 A. Because they may well have been inter --
22 interested. And what I would have said is that's not
23 to say there wasn't a process safety system in place
24 before OMS. OMS was designed to bring all of our
25 process safety systems to a common consistent standard.

1 It wasn't as if there was nothing there prior to OMS.

2 Q. When you told Congress that OMS had been
3 implemented across all the company's operations, you
4 knew that, in fact, OMS was nowhere near full
5 implementation in the Gulf of Mexico, didn't you?

6 MR. GODFREY: Objection to form.

7 MR. WEBB: Objection as to form.

8 Q. (By Mr. Cunningham) Didn't you?

9 A. I knew --

10 MR. GODFREY: Same objection.

11 A. I certainly knew that OMS implementation was
12 not complete in many parts of the company because we
13 had made it very clear it was a five-year journey and
14 we were in Year 3.

15 Q. (By Mr. Cunningham) You didn't make that very
16 clear to Congress, did you, when you told them it had
17 been implemented across the entire company?

18 MR. WEBB: Object as to form.

19 MR. GODFREY: Objection, form.

20 A. Let's go back and just look again at what I
21 did say, shall we?

22 Q. (By Mr. Cunningham) Sure. Page 58, at the
23 bottom, quote, "And we've implemented significant
24 changes to all of our operating practices, including
25 the implementation of an Operating Management System

1 that covers all of the company's operations," end
2 quote.

3 A. That's true.

4 Q. That's what you said, isn't it?

5 A. That is true.

6 MR. GODFREY: Objection, form.

7 A. It wasn't complete, but the initiation of that
8 program had begun everywhere.

9 Q. (By Mr. Cunningham) I didn't ask you about the
10 initiation --

11 A. And you can verify --

12 Q. And you didn't say the initiation, did you?

13 MR. GODFREY: Object to form. Is it your
14 representation this is the only commentary on the OMS?

15 MR. WEBB: Well, I also object to him --

16 MR. CUNNINGHAM: I haven't represented
17 anything.

18 MR. WEBB: I'm going to object to
19 interrupting his last answer where he was explaining
20 and responding to your question.

21 Q. (By Mr. Cunningham) When you told Congress
22 that the OMS system had been implemented and covered
23 all of the company's operations, you knew that even
24 though it was ten years after Grangemouth and five
25 years after Texas City, the process -- the process

1 safety aspect of OMS, and OMS itself, had not been
2 implemented in the Gulf of Mexico, you knew that,
3 didn't you?

4 MR. GODFREY: Objection as to form.

5 A. Was not -- what I knew was it was not fully
6 implemented across the entirety of the operations.

7 Q. (By Mr. Cunningham) And if you had told
8 Congress that it had not been implemented in the Gulf
9 of Mexico, that would have been a disaster for BP,
10 wouldn't it?

11 MR. GODFREY: Objection as to form.

12 A. I -- I think we had plenty of disaster to be
13 going on with. Thank you.

14 Q. (By Mr. Cunningham) You had oversight of OMS,
15 didn't you?

16 A. I was the Chairman of the GORC.

17 Q. Yes.

18 A. The oversight of OMS was with Mark Bly and a
19 gentleman called John Sieg.

20 MR. CUNNINGHAM: Tab 47. What's the
21 exhibit number? 6002 is the exhibit number.

22 MR. GODFREY: 6002.

23 MR. CUNNINGHAM: 6002.

24 A. 6002.

25 MR. GODFREY: Bear with us a second,

1 please.

2 MR. CUNNINGHAM: Page 6.

3 MR. GODFREY: We need to find the exhibit
4 first, please.

5 THE WITNESS: Here we go. Got it.

6 Q. (By Mr. Cunningham) The title of it on the
7 cover is "Leading from the top."

8 A. I have it.

9 Q. And I'm looking at Page 6 which is "Leading
10 from the very top," which describes your role as Chair
11 of the Group Operations Risk Committee. Do you see
12 that?

13 A. That's correct.

14 Q. And one of the responsibilities you had --

15 A. M-h'm.

16 Q. -- as Chair of that Committee, look at the
17 fourth bullet -- bullet point and tell me whether I
18 read this correctly, quote, "Oversight of development
19 and implementation of BP's Operating Management
20 System..."

21 A. That's correct.

22 Q. Is that what it says?

23 A. Yep.

24 Q. Dr. Hayward, you knew when you gave your
25 testimony to Congress, on June the 17th of 2010, that

1 there were huge safety-related gaps in the OMS system
2 in the Gulf of Mexico, didn't you?

3 A. No, I did not.

4 MR. GODFREY: Objection as to form.

5 Q. (By Mr. Cunningham) You did not?

6 A. I knew that we hadn't completed the
7 implementation of OMS.

8 MR. CUNNINGHAM: Tab 44.

9 A. It tells you nothing about safety-related
10 gaps. It just tells you we haven't completed the
11 implementation of OMS.

12 MR. CUNNINGHAM: Tab 44.

13 THE COURT REPORTER: 6025.

14 (Exhibit No. 6025 marked.)

15 Q. (By Mr. Cunningham) (Tendering.)

16 A. Thank you.

17 Q. This document is identified as a 2010 -- "2010
18 SPU" -- that's Strategic Performance Unit -- "OMS" --
19 Operating Management System" --

20 A. M-h'm.

21 Q. -- "Gaps," isn't it?

22 A. M-h'm.

23 Q. It's a "Ranking" Matrix -- "Matrix" for OMS
24 gaps, isn't it?

25 A. Correct.

1 Q. To put this in perspective, before we go into
2 this document, this is five years after Texas City,
3 correct?

4 A. Three years after I assumed the CEO role of
5 BP.

6 Q. Three years after you became CEO. Three
7 years --

8 A. Three years into a five-year journey.

9 Q. Three years after you told the Congress that
10 you had made all these changes --

11 A. M-h'm.

12 Q. -- implemented all these changes, and three
13 years after OMS was in -- initiated, wasn't it?

14 A. Exactly.

15 Q. All right. Look at the first page of this
16 exhibit. On the right is "IMPORTANCE" and on the --

17 MR. GODFREY: The -- you mean the second
18 page of the exhibit?

19 MR. CUNNINGHAM: Excuse me, yes.

20 MR. GODFREY: Page Number --

21 MR. CUNNINGHAM: Yes.

22 MR. GODFREY: -- 1?

23 MR. CUNNINGHAM: 1, correct.

24 Q. (By Mr. Cunningham) Right is "IMPORTANCE" and
25 at the bottom, "GAP RISK TO THE BUSINESS."

1 Do you see that?

2 A. I do.

3 Q. It looks at the highest risk and the highest
4 important -- importance gaps, doesn't it?

5 A. It does.

6 Q. And the highest ones, when you add them up, is
7 in the top right corner where you got a "High" for
8 importance, and a "High" for risk to business. Do you
9 see that on the front?

10 A. Correct.

11 Q. On the front page?

12 A. M-h'm.

13 Q. And then if you turn to the second page,
14 it's -- there's "OMS Gap Detail." It tells you exactly
15 where the gaps are in safety in the Gulf, correct?

16 A. No. It tells you where the gaps are in
17 relation to the OMS standards.

18 Q. Okay.

19 A. It doesn't tell you anything about gaps
20 rela -- rela -- relative to safety.

21 Q. It tells you what the gaps are in the OMS.

22 A. It does.

23 Q. All right. And if you'll look in the
24 right-hand corner, you see the letters there? It tells
25 you where there are gaps for a given area on the left?

1 A. Yes.

2 Q. For example, "4.1 Procedures & Practices" on
3 the left, matches up with the blue A, B, C, D, E, F,
4 G --

5 A. M-h'm.

6 Q. -- under the "10," the highest risk, right?

7 A. Yes.

8 Q. All right. And if you turn down to the next
9 page, Practices & Procedures, and look in the item
10 number, you find which items under Practices &
11 Procedures are considered the highest risk gaps in OMS,
12 right?

13 A. M-h'm.

14 Q. And if you look to the right, under "Area,"
15 you see which ones of these relate to Health, Safety,
16 Security, and Environment, don't you?

17 A. Yes.

18 Q. And the highest risk under "4.1 Procedures &
19 Practices," are A, B, C, D, E, F, and G, aren't they?

20 A. Correct.

21 Q. For example, "A, Inconsistent methodology in
22 creating & reviewing Operating procedures," which is an
23 a -- HSSE gap, right?

24 A. Correct.

25 Q. And then "B, Lack of culture to use procedures

1 in the" Gulf of Mexico. Do you see that?

2 A. Correct.

3 Q. And then multiple other of the highest risk
4 gaps are HSSE gaps, aren't they, under "Procedures &
5 Practices"?

6 A. Correct.

7 Q. All right. And then if you go back to the
8 first page and look at the next color, which is the
9 gray, and you see an A, B, C, then you look over to the
10 left, you find that "2.2, People & Competence" is where
11 those major gaps exist, right?

12 A. That's correct.

13 Q. And then if you turn to the next page, under
14 "People & Competence" 2.2, and you look and see which
15 items of the highest risk A, B, and C, you can find out
16 where the gaps are, right?

17 A. That's right.

18 Q. And, for example, "B, Lack of process to
19 assess key operating risk decision makers," is an
20 example --

21 A. M-h'm.

22 Q. -- of one determined to be a highest risk gap,
23 right?

24 A. Correct.

25 Q. And then go back to the first page and look at

1 "Process Safety," 3.3, do you see that on the left, and
2 you match it up on the right --

3 A. Yes.

4 Q. -- to the A, B, C, and D --

5 A. Yes.

6 Q. -- and you go back down a few pages, and you
7 get to "Process Safety," right? Do you have that,
8 "3.3, Process Safety"?

9 A. I do.

10 Q. And if you look back, you see that the -- the
11 highest risk gaps were A, B, C, and D under Process
12 Safety, right?

13 A. Correct.

14 Q. And just to reiterate, again, process safety
15 is that aspect of safety that deals with major
16 disasters like the one that occurred on the DEEPWATER
17 HORIZON, right?

18 A. No, it doesn't, actually. It -- does it --
19 it -- it -- it -- it -- it often is, but process safety
20 is designed -- is defined as the systems around an
21 operation that maintain the integrity of the plant or
22 the control of work around an operation.

23 Q. Is the purpose of process safety to prevent,
24 control, and mitigate major accidents?

25 A. Absolutely.

1 Q. All right. And the DEEPWATER HORIZON was a
2 major accident?

3 A. It was a tragic and --

4 Q. All right.

5 A. -- major accident.

6 Q. So if you look under Process Safety, you see
7 that the major gaps were in A, B, C, and D. A, for
8 example, "Lack of information to provide-predictive
9 indication of process safety issues."

10 Did I read that correctly?

11 A. You did.

12 Q. All right. And then if you look back to the
13 first page, go to "Regulatory Compliance," 7.1, do you
14 see that the major gaps there are A, B, C, D, E, F, G,
15 and H, right?

16 A. Sorry. Where are you?

17 Q. "Regulatory Compliance." I'm back on the
18 front page.

19 A. Yep, okay.

20 Q. And you see that the gaps -- the major risk
21 gaps are A, B, C, D, E, F, G, and H --

22 A. M-h'm.

23 Q. -- correct?

24 A. Correct.

25 Q. And if we go back to Regulatory Compliance, A,

1 B -- you have a major gap in every single one, with one
2 exception, don't you?

3 A. Sorry. Which page are you looking at? Okay.

4 Q. "Regulatory Compliance." Do you see that?
5 Major gap in every single one. The one exception where
6 you don't have a major risk gap is "Incorrect
7 application of federal drinking water regs." Other
8 than that, you've got major high risk gaps, don't you?

9 MR. GODFREY: Objection as to form.

10 A. Well, they're of -- of varying severity, I
11 would say, but --

12 Q. (By Mr. Cunningham) Yeah. Well, they're all
13 in the 10 -- they all rate a 10 --

14 A. They --

15 Q. -- the highest you can possibly --

16 A. Yes.

17 Q. -- get, don't they?

18 A. They do.

19 Q. All right. And do you understand in this case
20 that BP claims that the Federal Government didn't
21 regulate them enough?

22 MR. GODFREY: Objection as to form.

23 MR. WEBB: Object to the form of the
24 question.

25 A. I have --

1 Q. (By Mr. Cunningham) Do you know that --

2 A. -- I have not said that.

3 Q. That -- do -- do you know that BP says that
4 the Federal Government is at fault, that it didn't have
5 enough regulations?

6 MR. GODFREY: Objection as to form.

7 A. I'm not aware of that.

8 THE COURT REPORTER: Three minutes.

9 Sorry.

10 Q. (By Mr. Cunningham) The next one, 2.5, looking
11 back, "Working w/Contractors," do you see that? That's
12 the purple. A, B, C, D, E, F, G is where the gaps are
13 there, right?

14 A. (Reviewing document.)

15 Q. You got every one of them on that, didn't you?

16 A. I'm sorry. I'm -- not actually found your --
17 where you're referring to yet. "Working with
18 Contractors," okay.

19 Q. Yeah. Working with Con --

20 A. Okay. Let me just have a look.

21 Q. Every one of them --

22 A. Just hang on --

23 Q. -- had a high risk number 10, didn't it?

24 A. Lack of accountabilities between supply
25 chain's management and HSE.

1 Lack of standardization/documentation in
2 supply chain and management.

3 Q. Where are you?

4 A. I'm looking at "Working with Contractors."

5 Q. All right.

6 A. Lack of understanding --

7 Q. Working --

8 A. -- of supply chain management.

9 Q. Working with Contractors, and if you go back
10 to the front, every single one of those --

11 A. Well, not --

12 Q. -- fell into the high risk, didn't it?

13 A. It doesn't sound much like it's got anything
14 to do with safety, actually.

15 Q. "It doesn't sound like it's got anything to do
16 with safety?" Is that --

17 A. Yeah.

18 Q. -- what you just said?

19 A. Lack of understanding of supply chain
20 management. I don't know.

21 Q. Do you --

22 A. I haven't seen this document --

23 Q. Well, do you --

24 A. -- of course, so --

25 Q. Well, you read documents all the time you

1 haven't seen before, don't you?

2 A. Yeah, but not normally in this sort of
3 situation --

4 Q. Well --

5 A. -- where someone is firing questions at me
6 before I can have a chance to look at the document.

7 Q. You -- you say that this doesn't have much to
8 do with safety. What are the two words at the end of
9 "B"?

10 MR. GODFREY: Objection as to form.

11 A. At the end of B?

12 Q. (By Mr. Cunningham) Yeah. "Process safety,"
13 isn't it?

14 A. "...incorporates robust" --

15 This -- yeah, but this is about tendering in
16 supply chain management.

17 Q. Well, this is a BP document, isn't it?

18 A. It is.

19 Q. All right.

20 A. But I --

21 Q. Over on the area on the right --

22 A. M-h'm.

23 Q. -- whoever wrote this BP document listed
24 "HSSE" under every single one of these major gaps --

25 A. As I --

1 Q. -- in Working with Contractors, didn't it?
2 Every one?

3 A. Every one is a -- as I -- as I understand this
4 document, having not seen it before, the -- this is --
5 this is referring to the interface between HSSE and
6 Engineering in the matter of supply chain management.
7 That's probably very serious, but it -- it is not
8 really about the -- you know, the inherent safety in
9 operation, I don't think. As I said, I haven't seen
10 this before.

11 Q. So where it says, "Inconsistent" or "absent
12 communication of applicable HSSE requirements," that
13 doesn't have anything to do with safety?

14 A. Well --

15 MR. WEBB: Objection to the form of the
16 question.

17 A. It -- my -- without any backing up -- backup
18 information, it's very difficult to determine exactly
19 what this all means.

20 Q. (By Mr. Cunningham) Okay. So this would -- it
21 wouldn't have done any good if somebody had sent this
22 to you as head --

23 A. I --

24 Q. -- of the Group Operations Risk Committee
25 because you don't understand it?

1 MR. GODFREY: Object to the form.

2 MR. WEBB: Objection to the form of the
3 question.

4 A. Can I just make a comment, please? This
5 document --

6 Q. (By Mr. Cunningham) Do you understand it?

7 A. -- this document was not designed as a written
8 document. It was designed as a presentation for
9 someone to be out -- to make on this issue. It has --
10 there -- there's no explanation of what's here.

11 Q. You read documents all the time that don't
12 have an explanation for everything in them, don't you?

13 A. Well, I -- I think in -- in this -- in this
14 particular situation, the -- this document is quite
15 difficult to understand without a bit of supporting
16 documentation and explanation.

17 MR. CUNNINGHAM: Let's take a break.

18 THE VIDEOGRAPHER: Off the record at
19 12:10 p.m., ending Tape 3.

20 (Recess from 12:10 p.m. to 1:03 p.m.)

21 MR. GODFREY: Okay. I believe we're
22 ready to start.

23 MR. CUNNINGHAM: Ready.

24 THE VIDEOGRAPHER: All set?

25 On the record at 1:03 p.m., beginning

1 deposi -- beginning Tape 4.

2 Q. (By Mr. Cunningham) Dr. Hayward, I call your
3 attention back to Exhibit 6025, and the last section I
4 want to ask you about is 4.5, "Control of Work." Do
5 you see the gaps noted for that area?

6 A. I see -- I can see the -- let me see what I
7 can see. "Control of Work," yes.

8 Q. A, B, C, D, E, correct?

9 A. Correct.

10 Q. And then if you turn back, where there's the
11 list of Items and Descriptions, do you see that covers
12 all of them but one?

13 A. Well, without -- without wishing to be
14 difficult, I can't actually see anything on this -- on
15 this copy that I've got.

16 MR. WEBB: The copy we have is all black.

17 A. It's completely black.

18 Q. (By Mr. Cunningham) (Tendering.)

19 A. Thank you. Yeah.

20 Q. You see that? And one of those, C, says this:
21 "Inconsistent task based approach in JSEA process
22 resulting in process safety hazards/personnel safety
23 individuals." Do you see -- did I read that correctly?

24 A. You did, yeah.

25 Q. And if when you testified in Congress that

1 implementation of an Operating Management System
2 covered everything across the company's operations, if,
3 instead, you had said that "We have an Operating
4 Management System, but it has huge safety gaps, in the
5 Gulf of Mexico," BP stock prices would have tanked,
6 wouldn't it?

7 MR. WEBB: Objection, form.

8 MR. GODFREY: Objection, form.

9 A. It's complete conjecture, but more
10 importantly, it's not true.

11 Q. (By Mr. Cunningham) So --

12 A. The whole notion of OMS is that you measure
13 gaps. It's a continuous improvement process. You
14 measure gaps, and you take action to close them. You
15 measure gaps; you take action to close them. It's the
16 fundamental tenet of the system that we're putting in
17 place.

18 Q. And what we've just looked at in the -- the
19 last exhibit is BP's evaluation of all of the gaps that
20 existed in OMS in the Gulf of Mexico in 2010, correct?

21 MR. GODFREY: Objection as to form.

22 Q. (By Mr. Cunningham) Not some other time, but
23 2010.

24 A. That -- that is --

25 Q. -- correct?

1 A. -- what the document describes.

2 Q. And the truth is, as you sat there testifying
3 with the oil flowing in the Gulf of Mexico, that BP had
4 major gaps in the Gulf of Mexico and that those gaps
5 and those failures were a product of the failure of
6 Senior Management; isn't that true?

7 A. That's not true either.

8 MR. GODFREY: Objection, form.

9 Q. (By Mr. Cunningham) Well, you were the one
10 generally responsible for safety at BP?

11 A. I was im --

12 Q. And you were the one specifically responsible
13 for OMS implementation, weren't you?

14 A. Absolutely. And I was implementing it, we
15 were implementing it, the company was implementing it.
16 And we were very clear that it was a five-year journey
17 and we were three years into it. And as I've stated on
18 many occasions, it wasn't that there was nothing there
19 previously. There was process safety systems in place.
20 What we were doing is ensuring that they were a common
21 and consistent standard across the company.

22 Q. You not only testified before Congress that
23 OMS covered all the company's operations, you also
24 testified that, specifically as to the DEEPWATER
25 HORIZON, that safeguards were in place, didn't you, for

1 OMS?

2 MR. GODFREY: Objection as to form.

3 A. I'm sorry. I don't understand the question.

4 I think you're referring --

5 Q. (By Mr. Cunningham) Tab 1 --

6 A. -- to something I may have testified. I'd
7 like to see it, please.

8 Q. Exhibit 6001. Turn to Page 36.

9 A. All right.

10 THE COURT REPORTER: It should be on the
11 top, second one down.

12 A. That's not -- there it is.

13 Q. (By Mr. Cunningham) Page 36. Did you say
14 in -- at the bottom of the page, a little bit up, about
15 a paragraph up, "HAYWARD: As I said, we acknowledged
16 the problems that we had in 2005 and 2006. The vast
17 number of those things that you've referred to date
18 from that time" -- "to date from that time period. And
19 we have made major changes in the company over the last
20 three to four years." That's OMS, isn't it?

21 A. It's not only --

22 Q. That's what you called it?

23 A. It is many other things in addition to O -- to
24 OMS. It --

25 Q. Does it include OMS?

1 A. It includes OMS, but it's --

2 Q. Okay.

3 A. -- many other things as well.

4 Q. And then you were asked: "Do you think the
5 changes you made in that time period you're talking
6 about when you were" C -- "CEO -- I understand what
7 you're saying -- do you think that they were using
8 those measures and protocols on the DEEPWATER HORIZON?"
9 That was the question, wasn't it?

10 A. And I said: "To the best of my knowledge,
11 they absolutely were."

12 Q. You testified that to the -- you testified
13 under oath that to the best of your knowledge, the
14 safeguards of OMS absolutely were being used --

15 A. No --

16 Q. -- on the DEEPWATER HORIZON, didn't you?

17 A. That actually is not --

18 MR. GODFREY: Objection as to the form.

19 A. False. That is not actually what I said.

20 I said: We acknowledge problems, and we've
21 made major changes in the company over the last three
22 years. I was asked: Do you think the -- those changes
23 apply to the DEEPWATER HORIZON?

24 And I said: To the best of my knowledge, they
25 did.

1 Q. You just told us --

2 A. I have no -- there's no reference to OMS
3 there.

4 Q. You just told us that when you said, "We have
5 made major changes in the company over the last three
6 to four years," that you meant to include OMS. You
7 just testified to that?

8 A. OMS was certainly part of that --

9 Q. All right.

10 A. -- of course.

11 Q. And then you said: Whether or not those
12 measures and protocols were in application on the
13 DEEPWATER, "to the best of my knowledge, they
14 absolutely were," is what you testified.

15 A. That's correct.

16 Q. Okay. And you knew when you gave that
17 testimony that not only had OMS not been fully
18 implemented in the Gulf of Mexico, but that an integral
19 part of it, the process safety part of OMS, had not
20 been implemented on the DEEPWATER HORIZON, didn't you?

21 A. I --

22 MR. GODFREY: Objection to the form.

23 MR. WEBB: Object to the form of the
24 question.

25 A. I wasn't aware of the details of the

1 implementation in the Gulf of Mexico at the time.

2 Q. (By Mr. Cunningham) So --

3 A. But I was certainly aware that the
4 implementation of OMS was not complete across the
5 company. And I may -- I can't recall -- have been
6 aware that it was not complete in the Gulf of Mexico.
7 I probably was.

8 Q. When you gave the testimony that the measures
9 and protocols absolutely were being used on the
10 DEEPWATER HORIZON, you knew for a fact -- you knew for
11 a fact, didn't you, that critical aspects, process
12 safety-related aspects of OMS were not implemented on
13 the DEEPWATER HORIZON on April 20th, 2010?

14 A. No, I did --

15 MR. GODFREY: Object to the form.

16 A. I did not know that absolutely.

17 Q. (By Mr. Cunningham) Well, you had actually
18 been briefed on that very point less than a month
19 before you testified, hadn't you?

20 A. I -- I think you need to refresh my memory if
21 I had.

22 Q. Tab 49. Tab 49. This is Exhibit 1737,
23 previously marked. I call your attention to the E-mail
24 at the bottom of the first page, from John Baxter. Do
25 you see that?

1 I further certify that I am neither counsel for,
2 related to, nor employed by any of the parties in the
3 action in which this proceeding was taken, and
4 further that I am not financially or otherwise
5 interested in the outcome of the action.

6 SUBSCRIBED AND SWORN to by me on this 6th day of
7 June, 2011.

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PURSUANT TO CONFIDENTIALITY ORDER

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF LOUISIANA

3 IN RE: OIL SPILL) MDL NO. 2179
4 BY THE OIL RIG)
5 "DEEPWATER HORIZON" IN) SECTION "J"
6 THE GULF OF MEXICO, ON)
7 APRIL 20, 2010) JUDGE BARBIER
8) MAG. JUDGE SHUSHAN
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17 *****

VOLUME 2

18 *****
19
20

21 Deposition of Anthony Hayward, taken at
22 Kirkland & Ellis International, 30 St. Mary Axe, 22nd
23 Floor, London EC3A 8AF, England, United Kingdom, on the
24 8th of June, 2011.
25

PURSUANT TO CONFIDENTIALITY ORDER

1 Q. And those were after April 20th, correct?

2 A. They were.

3 Q. And in connection with the relief efforts?

4 A. With -- in connection with the response.

5 Q. With the response. Okay.

6 What role did Anadarko play in connection with
7 the -- the response efforts?

8 A. To -- to my knowledge, they provided some of
9 their people and some of their -- their Technicians,
10 Engineers --

11 Q. Okay.

12 A. -- to help with the response.

13 Q. So they were assisting?

14 A. They were assisting, yes.

15 Q. Are you aware of -- of any decisions that
16 Anadarko made with respect to the relief efforts or
17 leading the relief efforts in any way, or was it your
18 understanding they were simply assisting?

19 A. They were assisting.

20 Q. Okay. Have you had any other communications
21 with Anadarko since April 20, 2010, other than those
22 two discussions with Jim Hackett?

23 A. I haven't.

24 Q. Thank you.

25 Go back to an old, familiar subject, the OMS.

1 Did you know in April of 2010, that the OMS had not
2 been fully implemented in the Gulf of Mexico?

3 A. I -- yeah. I believe I was aware that it had
4 not been fully implemented. It was in the process of
5 being implemented as it was in other parts of BP.

6 Q. But specifically with respect to the Gulf of
7 Mexico, that's your answer?

8 A. Yes.

9 Q. Okay. When did you come to learn that?

10 A. I would have been aware of it prior to the --
11 you know, in the course of doing my -- my job.

12 Q. Okay.

13 A. Because we had a -- as I've explained a number
14 of times through this deposition, the Group Operations
15 Risk Committee was looking at the progress of
16 implementation.

17 Q. So you were getting reports as to where it was
18 implemented, where it was not yet implemented?

19 A. And where it -- where it was entrained, so to
20 speak.

21 Q. Okay. Were there any parts of OMS, to your
22 knowledge, that were applicable in the Gulf of Mexico
23 in April of 2010?

24 A. That were applicable? It was all applicable.
25 I'm --

1 Q. That were implemented then?

2 A. I'm -- I'm not aware of the precise status on
3 that date of the implementation.

4 Q. Okay. Now, I want to read you something from
5 BP Magazine, Issue 3, 2006, and it's a statement made
6 by -- you're welcome to look at it if you want. It's
7 Tab 1, but you don't need to. It's a statement that
8 John Mogford made in an article entitled, "Safety, THE
9 NUMBER ONE PRIORITY."

10 Let me ask you first: Who is John Mogford?

11 A. He was the Head of Group Operations -- Group
12 Safety and Operations prior to Mark Bly.

13 Q. Okay. All right. On page -- the numbered
14 Page 13 of this article, he's talking about OMS, and he
15 says: "It is about" -- and he means -- he's discussing
16 OMS: "It is about how we make our operations people
17 understand more of the context, increase their
18 awareness of inherent risk, empower them to continually
19 improve what they do, and enable them to build their
20 learning into the system for future use."

21 Do you agree with that --

22 A. I do.

23 Q. -- description of OMS?

24 A. I do.

25 Q. Okay. And in the same magazine on, let's see,

1 numbered Page 19, Mr. Mogford also says at the top
2 right corner: "Whatever we say in the centre, if it
3 doesn't help people who are conducting hazardous
4 activities day-to-day in our plants, we have failed and
5 have only a management piece of paper."

6 And, again, he's referring to the OMS. Do you
7 agree with that statement?

8 A. I do.

9 Q. Okay. Thank you.

10 Now, you said on Monday that although --
11 although OMS was not rolled out across the entire
12 company, that you said, quote, "That's not to say there
13 wasn't a Process Safety system in place before OMS.
14 OMS was designed to bring all our Process Safety
15 systems to a common, consistent standard."

16 Do you remember that testimony?

17 A. M-h'm. Yes.

18 Q. Okay. So I take it that it's your position,
19 then, that there were, in fact, BP Process Safety
20 systems and procedures applicable to the Gulf of
21 Mexico -- implemented and applicable to the Gulf of
22 Mexico on April 20th, 2010?

23 A. Correct.

24 Q. And that you believed that those were designed
25 to mitigate against major accidents or -- such as the

1 DEEPWATER HORIZON?

2 A. That's correct.

3 Q. Okay. And these were BP Process Safety
4 systems, correct?

5 A. The BP Process Safety systems are in the
6 matter of the drilling operation. They were systems
7 and processes designed by Transocean, which BP had
8 oversight of.

9 Q. Okay. So is it -- is it your position, then,
10 that BP had none of its own safety processes in place
11 in April 2010?

12 MR. GODFREY: Objection as to form.

13 A. It -- it had many of its own -- a -- a
14 complete suite of Process Safety systems in place in
15 April 2010. The point I was making is that the systems
16 and processes on the rig were Transocean systems and
17 processes, which were required to be consistent and
18 verified by BP.

19 Q. (By Ms. Hertz) Okay. So just so I understand,
20 are you -- are you saying that BP -- the BP processes
21 and systems didn't apply on the Transocean rig, or they
22 applied in conjunction with Transocean processes?

23 A. They applied in conjunction with.

24 Q. So they were fully applicable to the DEEPWATER
25 HORIZON?

1 A. Correct.

2 Q. You also testified on Monday that the
3 identification of a blowout was the sort of accident
4 that was, quote, "part of the Group wide risk
5 assessment," and that such risk was, quote, "believed
6 to have been mitigated by the things we had in place"?

7 A. That's correct.

8 Q. Do you recall that?

9 A. (Nodding.)

10 Q. Okay. And when you were asked by Mr. Sterbcow
11 what those things were in place, you stated you didn't
12 recall discussing that with anybody in detail, but that
13 one such thing that would have mitigated it would have
14 been a blow -- a functioning blowout preventer.

15 Do you remember that?

16 A. Correct.

17 Q. Okay. What other things in place were you
18 talking about, other than the blowout preventer?

19 A. Effective well control systems --

20 Q. Okay.

21 A. -- as an example.

22 Q. Okay. And what is an effective well control
23 system?

24 A. It is a set of procedures that, if implemented
25 when a well begins to flow, as I -- as I understand it

1 because I'm not a driller, but -- and I'm going to give
2 you the -- my layman's version as to what a well
3 control system is. It's a system of measurement and
4 monitoring to determine the state of the well, and it's
5 a system of interventions to be taken in the event that
6 a well starts flowing.

7 Q. And, again, the effective well control system,
8 is that something that is both part TO's and part BP's?

9 A. Yes, very largely Transocean, because it is a
10 Transocean Drilling Team that implement the well
11 control procedures. There's no one from BP involved in
12 implementing well control procedures.

13 So what we have to do is determine that the
14 well control procedures that Transocean has and that
15 are documented as their well control procedures are
16 appropriate, and, of course, that they're -- they're
17 followed.

18 Q. Okay. But if there are well control
19 procedures and process procedures in place in the Gulf
20 of Mexico, BP procedures, those are applicable as well
21 as the TO procedures?

22 A. Well, I don't want to be pedantic, but BP
23 doesn't have well control procedures to manage a well
24 that is beginning to flow, because we're not actually
25 drilling any of the wells that our contractors are. So

1 what we want to verify is that those procedures are in
2 place, and they're deemed to be appropriate, and people
3 have been trained such that they know them, and when a
4 situation occurs, that they implement and follow them
5 to control the well.

6 Q. Well, does BP have procedures regarding well
7 operations that apply to wells being drilled off
8 someone else's rig?

9 MR. GODFREY: Objection as to form.

10 A. Do we have procedures relating to -- sorry, I
11 don't understand the question.

12 Q. (By Ms. Hertz) Related to BP drilling --

13 A. Okay.

14 Q. -- from a rig that's not owned by BP.

15 MR. GODFREY: Objection as to form.

16 A. Well, again, not to be -- we're not -- BP is
17 not conducting the drilling operation.

18 Q. (By Ms. Hertz) Is BP is not the operator?

19 A. BP is the operator, but we're not actually
20 physically conducting the operation.

21 Q. Okay. Well, I'm going to show you some
22 specific procedures because I want to understand --

23 A. Yeah. Sure.

24 Q. -- how they relate to the drilling that was
25 going on in the Gulf of Mexico on a non-BP-owned rig.

1 MR. BECK: Okay. Why don't we change the
2 tape. I've just got a few more minutes, and I'm done.

3 THE WITNESS: Okay.

4 THE VIDEOGRAPHER: Off the record at
5 2:48 p.m. Ending Tape 18.

6 (Recess from 2:48 p.m. to 2:58 p.m.)

7 THE VIDEOGRAPHER: On the record at
8 2:58 p.m., beginning Tape 19.

9 Q. (By Mr. Beck) Dr. Hayward, as of April 20,
10 2010, what part of OMS was implemented?

11 A. We were in the middle of companywide
12 implementation, so a lot of the -- in fact, all of
13 the -- if I can call it the superstructure was in
14 place. We had completed implementation at the
15 operating level in around 80 percent, I think, of the
16 operations and were -- in the case of the Gulf of
17 Mexico, I -- I think my recollection is we had begun
18 that process in the Fall of 2009. And we, in fact,
19 were on target to complete implementation by the end of
20 2010, which would, in fact, have been in three years,
21 not five.

22 Q. The -- and just see if I understand what
23 you're -- you're saying. When you say that the OMS was
24 implemented 80 percent at the operating level, the
25 operating level would include what?

1 A. The -- the operations down through to the
2 front line. So all of the -- you know, the
3 superstructure was complete, and in -- I think it was
4 80 percent of the operations that had gone through all
5 the way down to the front line operations.

6 Q. All right. When you say the "superstructure,"
7 you're talking about the plan?

8 A. The -- the -- yeah, the -- the -- well, not --
9 not only the plan, but the systems and processes would
10 make -- that would make a plan become alive.

11 Q. All right. And then you said that you were on
12 target to implement OMS in the Gulf of Mexico in 2009?

13 A. I -- my recollection is that we began the
14 process of cutover to OMS in the Fall of 2009.

15 Q. And --

16 A. That's my recollection.

17 Q. And your recollection also is that you would
18 have completed that implementation in the Gulf of
19 Mexico by the end of 2010?

20 A. That's correct.

21 Q. In -- in -- in other parts of the world, at
22 the operating level, was OMS fully implemented?

23 A. In some places, yes.

24 Q. What places?

25 A. A relatively large number. Colombia, Egypt, I

1 think, all of our refineries in the United States, our
2 refineries in Europe and places like Australia. I'm
3 not -- I can't remember exactly the -- the list, but --
4 but we -- we had made a lot of progress.

5 Q. Were any other areas begun in 2009 other than
6 the Gulf of Mexico Operating --

7 A. Yes, they were.

8 Q. -- Division? And what areas were those?

9 A. I can't recall, but we can certainly find out.

10 Q. All right. And, again, just so we're clear,
11 who was it who made the decision to begin
12 implementation of the process in 2009 in the Gulf of
13 Mexico?

14 A. I -- I don't know who was actually involved in
15 the decision to begin the process, but I can imagine
16 that it was the Business Unit Leader of the Gulf of
17 Mexico, along with Mark Bly and people in his
18 organization.

19 Q. And who was the Business Unit Leader?

20 A. A gentleman called James Dupree.

21 Q. James Dupree?

22 A. Correct.

23 Q. Where is he located?

24 A. In Houston.

25 Q. Do you recall his title or position?

1 A. Strategic Performance Unit Leader.

2 THE COURT REPORTER: Dupree?

3 THE WITNESS: Dupree.

4 Q. (By Mr. Beck) All right. And what other areas
5 would not have had OMS fully implemented until the end
6 of 2010, other than the Gulf of Mexico?

7 A. I can't remember the list, but, you know, we
8 have a list that's in many of these reports, that --
9 that document -- if you refer to the thing called the
10 Orange Book, it's very clear which areas are complete,
11 which areas are in -- in transition. And I think by
12 the time we're talking about, everywhere was in
13 transition. I don't think there was anywhere that had
14 not started the process.

15 Q. All right. And just again so I'm clear, when
16 you're implementing OMS, do you do it by well site at a
17 time? Do you do it by group? I mean, how -- how --
18 how do you specifically do it?

19 A. You do it by operating activity. So
20 Drilling -- Drilling, broadly. Production Operations,
21 broadly. And then within Production Operations, at an
22 indepen -- individual production facility. But I
23 believe that Drilling would have been done as Drilling,
24 not rig by rig.

25 Q. All right. It would have been done across the

1 board simultaneously?

2 A. Yeah, essentially.

3 Q. And you testified earlier that this was -- one
4 of the ways it was implemented, that it was determined
5 when the Business Unit was sufficiently prepared. Who
6 determined when the Business Unit was sufficiently
7 prepared to implement OMS?

8 A. That was a -- as I said earlier, a combination
9 of the Safety and Operations Team, led by -- Safety and
10 Operations Team, led by Mark Bly, and the Business Unit
11 Team.

12 Q. All right. I want to ask you two questions,
13 and I'm going to ask you to assume something for me. I
14 know you're not going to agree with the assumption, so
15 I'll alert you to that right now, okay? But I want to
16 ask you anyway.

17 MR. GODFREY: Should I preemptively
18 object?

19 MR. BECK: No.

20 Q. (By Mr. Beck) And -- and my question is this:
21 If OMS had been implemented over a three-year period
22 instead of a five-year period, wouldn't there have been
23 a better chance of avoiding the April 20, 2010
24 incident?

25 MR. WEBB: Object to the form of the

1 question.

2 MR. GODFREY: Same objection.

3 A. The answer is I don't know. I don't know.

4 Q. (By Mr. Beck) There is certainly --

5 A. Do you think -- excuse me. Do you think I
6 haven't thought about that? Of course, I have. But
7 do -- can I sit here today and say one way or the
8 other? The answer is I can't.

9 Q. If it had been implemented by April 20, 2010,
10 by Drilling, which would have included the Gulf of
11 Mexico, would you agree that at least there's the
12 potential, Dr. Hayward, that this terrible catastrophe
13 would have been averted?

14 MR. GODFREY: Objection as to form.

15 MR. WEBB: Object to the form of the
16 question.

17 A. There's lots of assumptions in your question.

18 Q. (By Mr. Beck) (Nodding.)

19 A. There -- on the basis of your assumptions, it
20 is potentially possible that it may have been avoided.
21 There are many other things that potentially possibly
22 may have prevented the accident.

23 Q. Not -- not -- and, again, I'm not saying
24 they're -- they're not. But -- but -- but -- but,
25 again, to get back to my two questions: If OMS had

1 been implemented in the Gulf of Mexico before April 20,
2 2010, is there not the potential for having avoided
3 this terrible catastrophe?

4 MR. GODFREY: Objection, form.

5 MR. WEBB: Objection, form.

6 A. There is possible potential --

7 Q. (By Mr. Beck) All right.

8 A. -- undoubtedly.

9 Q. All right. And, similarly, if OMS had been
10 implemented during a three-year period instead of a
11 five-year period, there was at least the potential that
12 the April 20, 2010 incident could have been avoided?

13 MR. GODFREY: Objection as to form.

14 MR. WEBB: Objection to the form of the
15 question.

16 A. There's potential for all sorts of things in a
17 theoretical world, which is the one we're talking
18 about.

19 Q. (By Mr. Beck) So would you agree --

20 A. It wasn't the real world. It was a
21 theoretical world.

22 Q. All right. So would you agree, then, that at
23 least there's the potential?

24 MR. GODFREY: Object as to form.

25 MR. WEBB: Objection, form.

1 A. There's a potential for anything in a
2 theoretical world.

3 Q. (By Mr. Beck) All right. By the way, just so
4 I'm clear, ha -- have you had any conversations with
5 anybody at Cameron related to the DEEPWATER HORIZON?

6 A. I've never had any conversations with anyone
7 at Cameron.

8 Q. And you consider Cameron to be well-respected
9 in the industry?

10 A. I consider them to be very well-respected in
11 the industry.

12 Q. And then my last question to you: If the
13 Judge or Jury who decides this case determines that the
14 safety culture at BP on April 20, 2010 was either poor
15 or not what it should have been, who would have been
16 responsible for that?

17 MR. WEBB: Object to the form of the
18 question.

19 MR. GODFREY: Same objection.

20 A. I'll cross that bridge when I come to it.

21 Q. (By Mr. Beck) I'm not sure I understand your
22 answer.

23 A. That's another -- completely --

24 Q. I'm asking the question now.

25 A. -- theoretical question.

1 I further certify that I am neither counsel for,
2 related to, nor employed by any of the parties in the
3 action in which this proceeding was taken, and
4 further that I am not financially or otherwise
5 interested in the outcome of the action.

6 SUBSCRIBED AND SWORN to by me on this 8th day of
7 June, 2011.

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PURSUANT TO CONFIDENTIALITY ORDER